

Southern Ohio Health Care Network
October 2008 Quarterly Report for 3rd Quarter of 2008

I. Project Contact & Coordination Information

A. The Southern Ohio Health Care Network (SOHCN) is incorporated as a 501(c)(3). The following is a list of SOHCN board members:

<u>Name</u>	<u>Position</u>	<u>Affiliation</u>
Marcus Bost	President	CIO, Adena Health System
Kristine Barr	Vice President	CIO/VP of Comm., O'Bleness Health System
Morgan Saunders	Vice President	Telecommunications Mgr., Holzer Consolidated Health Systems
Anthony Carna	Member	Neonatal Services, Nationwide Children's Hospital
Keith Coleman	Member	CFO, Adena Health System
Dr. Andy Eddy	Member	VP of Medical Affairs, Southeastern Ohio Regional Medical Center
Mark Harvey	Member	CIO, Holzer Clinic
Dr. Sathish Jetty	Member	CMIO, Adena Health System
Brian Phillips	Member	CIO, Ohio University College of Osteopathic Medicine
Tom Reid	Ex-officio	President, Reid Consulting Group
Eric Skomra	Member	IT Coordinator, Marietta Health Care Physicians, Inc.
Steve Trout	Member	Exec. Dir., Southern Consortium for Children

B. Contact information for responsible administrative officials:

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President, Southern Ohio Health Care Network, Inc.
CIO, Adena Health System
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Chillicothe, OH 45601
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Tom Reid
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Tom@ReidConsultingGroup.com

C. The Southern Ohio Health Care Network Inc. Board of Directors is **legally** responsible for the conduct of activities supported by the FCC RHCPP award. As the pilot project's fiduciary agent, Adena Health System is **financially** responsible for the conduct of activities supported by the FCC RHCPP award.

D. The staff of Reid Consulting Group (RCG) has contacted and/or visited all eligible health care facilities in the twelve (12) Phase I counties included in the original RHCPP

Southern Ohio Health Care Network

October 2008 Quarterly Report for 3rd Quarter of 2008

proposal to explain the SOHCN project and collect FCC-required letters of agency from each. At the request of a SOHCN board member, we added Lawrence County to Phase I. We now are waiting for only three additional LOAs.

In September, at the recommendation of several member health care providers, SOHCN decided to reach out to the health departments in each of the 13 counties included in Phase I of the network build. Most of the health commissioners have agreed to join SOHCN; we are still waiting to receive several of their letters of agency. The health departments, while cooperative, express muted interest in the project because they already receive free T-1 connections from the Ohio Department of Health. Yet including them in the Southern Ohio Health Care Network is important for creating a cohesive RHIO and for overall coordination throughout the region. Whether the health departments join the SOHCN or not, the SOHCN will connect to the statewide Ohio network (OSCnet), providing connectivity to the health departments in a more roundabout manner. If the SOHCN RFP can produce low enough costs, higher bandwidth connections may become more appealing to the health departments.

Phase II fieldwork will commence soon. However, as we stated in our original application, Phase II implementation may well be dependent on additional rounds of funding for the RHCPP.

Coordination with Region:

In April, the Southern Ohio Health Care Network (SOHCN) agreed to merge with Holzer Consolidated Health Systems (HCHS), the other Rural Health Care Pilot Project receiving funding in southeastern Ohio. In August, HCHS and Adena Health System jointly petitioned USAC and the FCC to approve their merger request. At the most recent SOHCN Board meeting (October 14, 2008), members unanimously agreed to create a co-vice presidency and appointed HCHS Telecommunications Manager Morgan Saunders vice president in order to more accurately reflect SOHCN project leadership after the merger is approved.

Our extensive field work has also generated many conversations about clinical partnerships to expand the range of care provided. Also, three members of the SOHCN Board (Bost, Reid and Phillips) participated in a statewide RHIO conference in October.

Coordination with Government:

In May, RCG presented an overview of the project to Ohio's USDA Rural Development office, at their request. A similar presentation was given to Fred Deel, director of Governor Voinovich's Office of Appalachia.

SOHCN is in regular contact with Glenn Enslen, grant coordinator for Rep. Zack Space (OH-18). We also keep in contact with Bridgeport Field Office staff of Rep. Charlie Wilson (OH-6). Both congressmen are adamant that SOHCN's expansion of broadband penetration must benefit not just the health care industry but entire communities throughout our region.

Southern Ohio Health Care Network

October 2008 Quarterly Report for 3rd Quarter of 2008

Coordination with Technology Community:

SOHCN's OSCnet liaison is Dennis Walsh, director of partner relations for OSCnet's Technology Infrastructure division. RCG President Tom Reid participates in a weekly conference call with Internet2 staff, partners and stakeholders.

II: List of Health Care Facilities Included in the Network

Please see attached Excel spreadsheet for a list of participating sites, addresses and all requested information on each.

III. Network Narrative

SOHCN has not initiated the competitive bidding process yet. Therefore, at this time, we do not have a finalized technical description of the communications network that we intend to implement. However, because Reid Consulting Group specializes in data network planning, construction and maintenance, President Tom Reid has contracted with a network engineer, and they are exploring possible design elements. RCG has conducted multiple rounds of engineering discussions with several interested carriers to explain the draft architecture and refine our understanding of carrier offerings.

Pending FCC approval of our merger with HCHS, our 465 and RFP will be posted for bid in the 4th quarter of 2008.

The following slides provide an overview of the proposed network design we have been using in the latest round of conversations with carriers.

Foundation of Approach

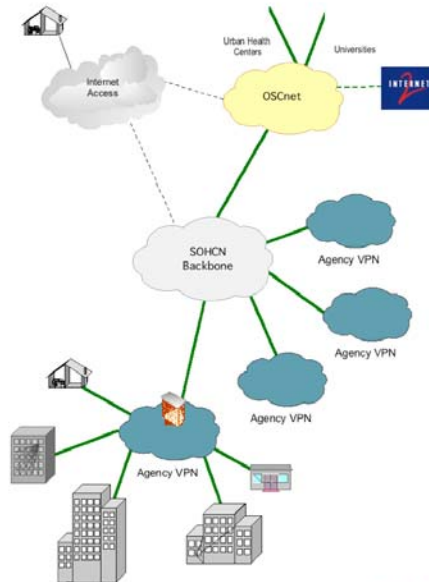
- Achieve **Pervasive Access**
- Build-on and Create **Partnerships**
- Deploy **Open Architecture** solutions.

Southern Ohio Health Care Network

October 2008 Quarterly Report for 3rd Quarter of 2008

Open Architecture One Connection

- Supports secure intra-agency traffic.
- “Any-to-any” connectivity:
 - Within the SOHCN
 - To OSCnet
- Performance for HD telemedicine.
- Internet access options.



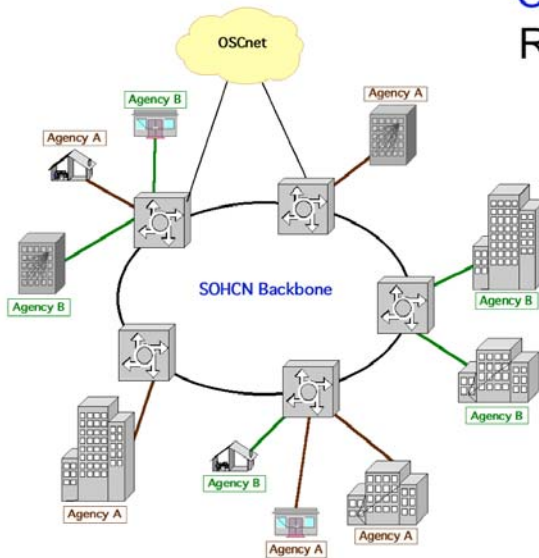
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3 Sept 08



Open Architecture Robust Backbone

- Fiber optic ring(s) for reliability.
- High speed backbone.
- Capacity to spare for other needs.
- Delivers metropolitan class service to Southern Ohio.



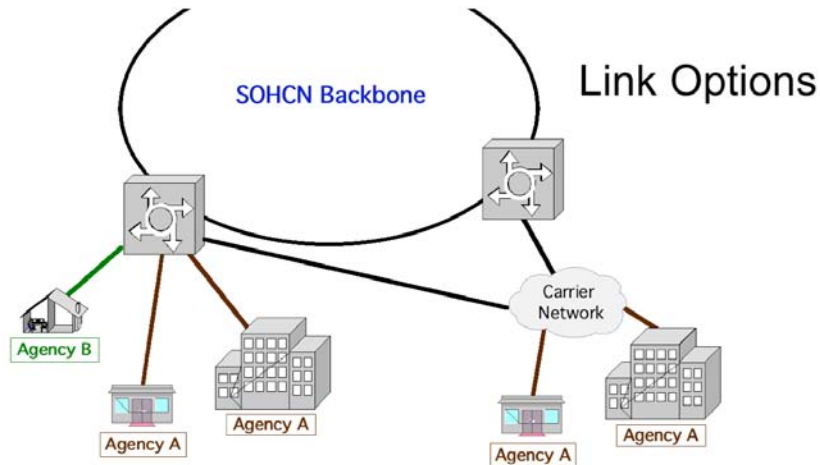
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3 Sept 08



Southern Ohio Health Care Network

October 2008 Quarterly Report for 3rd Quarter of 2008



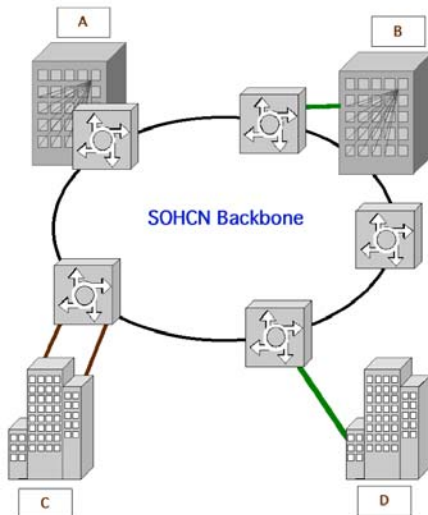
- Dedicated: 10/100/1000 Mbps from facility to SOHCN backbone. □ QoS from edge outward.
- Shared: 10/100/1000 Mbps from facility into Carrier Network. Aggregate link to SOHCN Backbone. QoS and performance specs. from edge device through the Carrier Network. Carrier Network dual homed into SOHCN backbone.

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3 Sept 08



Key Facility Connectivity Options



- A: Optical POP located at health care facility.
- B: Optical POP located in community, SOHCN backbone passes through facility. Primary services from optical equipment connected to backbone. Secondary connection to the community POP.
- C: Optical POP located in community. Local ring with diverse entry.
- D: Optical POP located in community. Single connection.

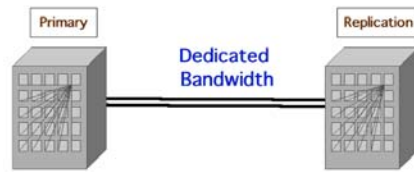
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3 Sept 08



Southern Ohio Health Care Network
October 2008 Quarterly Report for 3rd Quarter of 2008

Data Replication Links



- Key facilities seek capacity to perform real-time data replication for business continuity and disaster recovery purposes.
- Need dedicated capacity between target facilities separate from the SOHCN backbone capacity, e.g. separate DWDM wavelength.
- Seeking speed options ranging from 1 Gbps to 40 Gbps.
- Possible use of Fiber Channel, FICON and/or ESCON protocols.

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3 Sept 08



IV. List of Connected Health Care Providers

SOHCN does not yet have any health care providers that are connected to the network and operational.

V. Non-Recurring and Recurring Costs

SOHCN has not yet incurred any non-recurring or recurring costs.

VI. Apportioned Costs & Funding Sources to Pay Them

SOHCN has not yet initiated the process of apportioning costs. Adena Health System and Holzer Consolidated Health Systems (HCHS) are prepared to pay their 15% match when costs are incurred. RCG has made preliminary inquiries with other government agencies, representatives and grant programs to identify funding sources for eligible health care providers that will not be able to afford their 15% matches.

VII. Requirements & Procedures Necessary for Ineligible Entities' Network Participation

SOHCN has not yet established any requirements or procedures for providers that are ineligible for the FCC subsidy to connect to the Southern Ohio Health Care Network. We have contacted some of these ineligible facilities to ascertain their interest in SOHCN participation. These preliminary inquiries have received generally favorable response, especially in the case of the for-profit Holzer Clinics. These ineligible providers understand their responsibility for paying 100% of their network participation costs.

Southern Ohio Health Care Network

October 2008 Quarterly Report for 3rd Quarter of 2008

VIII. Updates to Project Management Plan

A. As stated above, during the second quarter of 2008, the Southern Ohio Health Care Network was incorporated as a 501(c)(3). SOHCN formed a Board of Directors and elected officers.

Holzer Consolidated Health Systems has contracted with Reid Consulting Group for support with network design, merger relations with the SOHCN, RFP creation and submission, vendor inquiries, etc.

The Southern Ohio Health Care Network and Holzer Consolidated Health Systems have requested FCC approval of their merger. The FCC posted the petition for public comment in October. When approved, the resulting joint project will fulfill the objectives stated in **both** original funding proposals.

At the most recent SOHCN Board meeting (October 14, 2008), members unanimously agreed to create a co-vice presidency and appointed HCHS Telecommunications Manager Morgan Saunders vice president in order to more accurately reflect SOHCN project leadership after the merger is approved.

B. Project Plan/Schedule

While we would like to be more definitive (and aggressive) with the following proposed schedule, there are several factors that prevent us from doing so. Two factors in particular account for our inability to predict the project's progress with certainty: (1) ambiguous timeline for FCC approval of the SOHCN/HCHS merger and (2) ambiguous timeline for USAC approval of our joint RFP.

<u>Year:</u>	<u>Quarter:</u>	<u>Objectives:</u>
2008	4 th	Submit and post our Form 465 and Phase I RFP
2008	4 th	Accept and evaluate Phase I proposals
2009	1 st	Award winning bid for Phase I
2009	2 nd – 4 th	Implement Phase I network build
2009	2 nd	Submit and post Phase II RFP
2009	3 rd	Accept and evaluate Phase II proposals
2009	4 th	Award winning bid for Phase II
2010	1 st – 3 rd	Implement Phase II network build

IX. Network's Self-Sustainability

SOHCN has every intention of becoming a self-sustaining network. Our keys to network sustainability include the following:

- Support from three of the largest non-profit health care systems in the region (Adena Health System, O'Bleness Health System & Holzer Consolidated Health Systems)
- Use of existing, common telecommunication companies' services to build and maintain the fiber optic network

Southern Ohio Health Care Network

October 2008 Quarterly Report for 3rd Quarter of 2008

- Buy down of capital costs to keep recurring costs within the budget range of our participating rural providers
- Expenses for existing T-1s and other communications facilities will remain committed to the SOHCN project
- Increased reimbursement for telemedicine services in the future
- More effective sharing of medical expertise and information within the region

X. Network's Role in Advancing Telemedicine

Given that our network has yet to be built, we have not had a measurable impact on telemedicine in our part of the state. However, in late September 2008, we were notified that our proposal to the USDA Rural Development's Distance Learning & Telemedicine program was successful. The \$277,695 grant award will provide four of the health care facilities in Phase I with telemedicine equipment and training. If this small DLT pilot project is successful, we have every intention of applying for additional USDA DLT funds to benefit our other member providers.

XI. Compliance with HHS Health IT Initiatives

We have not initiated the competitive bidding process or network build yet. However, when we do, we intend to comply with all HHS initiatives and interoperability standards in order to support the creation of the Nationwide Health Information Network.

When the SOHCN is fully operational, it will be a tremendous support for our fledgling RHIO, the Appalachian Health Information Exchange (AHIE). AHIE has been floundering without broadband connectivity in Southern Ohio. The SOHCN will provide AHIE with central data storage of patient and public health information.

XII. Coordination with HHS in Public Health Emergencies

The SOHCN is not yet operational and so has not been capable of facilitating coordination with HHS. While we hope to never encounter public health emergencies in our region, we are confident that the connectivity an operational SOHCN will provide our participating health care facilities will enable them to fully cooperate with HHS and its Centers for Disease Control and Prevention.

This report was prepared and submitted by Reid Consulting Group LLC, 4 Elizabeth Drive, Athens, OH 45701. Questions? Call (740) 590-0076